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EXAMINER

STARKS, WILBERT L

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2129

DATE MAILED: 06/23/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/673,848

Applicant(s)

MITCHELL ET AL.

Examiner

Wilbert L. Starks, Jr.

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 April 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-11 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-11 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 U.S.C. §101

1. 35 U.S.C. §101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

the invention as disclosed in claims 1-11 is directed to non-statutory subject matter.

2. Regardless of whether any of the claims are in the technological arts, none of the claims is limited to practical applications in the technological arts. Examiner finds that *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994) controls the 35 U.S.C. §101 issues on that point for reasons made clear by the Federal Circuit in *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447 (Fed. Cir. 1999). Specifically, the Federal Circuit held that the act of:

...[T]aking several abstract ideas and manipulating them together adds nothing to the basic equation. *AT&T v. Excel* at 1453 quoting *In re Warmerdam*, 33 F.3d 1354, 1360 (Fed. Cir. 1994).

Examiner finds that Applicant's "a set of data structures" references are just such abstract ideas.

3. Examiner bases his position upon guidance provided by the Federal Circuit in *In re Warmerdam*, as interpreted by *AT&T v. Excel*. This set of precedents is within the

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same line of cases as the *Alappat-State Street Bank* decisions and is in complete agreement with those decisions. *Warmerdam* is consistent with *State Street*'s holding that:

Today we hold that *the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price*, constitutes a practical application of a mathematical algorithm, formula, or calculation because it produces 'a useful, concrete and tangible result' -- *a final share price momentarily fixed for recording purposes and even accepted and relied upon by regulatory authorities and in subsequent trades*. (emphasis added) *State Street Bank* at 1601.

4. True enough, that case later eliminated the "business method exception" in order to show that business methods were not per se nonstatutory, but the court clearly *did not* go so far as to make business methods *per se* statutory. A plain reading of the excerpt above shows that the Court was *very specific* in its definition of the new *practical application*. It would have been much easier for the court to say that "business methods were per se statutory" than it was to define the practical application in the case as "...the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price..."

5. The court was being very specific.

6. Additionally, the court was also careful to specify that the "useful, concrete and tangible result" it found was "a final share price momentarily fixed for recording purposes and even accepted and relied upon by regulatory authorities and in subsequent trades." (i.e. the trading activity is the further practical use of the real world

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monetary data beyond the transformation in the computer – i.e., “post-processing activity”).)

7. Applicant cites no such specific results to define a useful, concrete and tangible result. Neither does Applicant specify the associated practical application with the kind of specificity the Federal Circuit used.

8. Furthermore, in the case *In re Warmerdam*, the Federal Circuit held that:

...[T]he dispositive issue for assessing compliance with Section 101 in this case is whether the claim is for a process that goes beyond simply manipulating ‘abstract ideas’ or ‘natural phenomena’ ... As the Supreme Court has made clear, ‘[a]n idea of itself is not patentable, ... taking several abstract ideas and manipulating them together adds nothing to the basic equation’. *In re Warmerdam* 31 USPQ2d at 1759 (emphasis added).

9. Since the Federal Circuit held in *Warmerdam* that this is the “dispositive issue” when it judged the usefulness, concreteness, and tangibility of the claim limitations in that case, Examiner in the present case views this holding as the dispositive issue for determining whether a claim is “useful, concrete, and tangible” in similar cases. Accordingly, the Examiner finds that Applicant manipulated a set of abstract “data structures” to solve purely algorithmic problems in the abstract (i.e., what *kind* of “data structure” is used? Heart rhythm data? Algebraic equations? Boolean logic problems? Fuzzy logic algorithms? Probabilistic word problems? Philosophical ideas? Even vague expressions, about which even reasonable persons could differ as to their meaning? Combinations thereof?) Clearly, a claim for manipulation of “a set of data structures” is provably even more abstract (and thereby less limited in practical application) than pure “mathematical algorithms” which the Supreme Court has held are per se nonstatutory – in fact, it *includes* the expression of nonstatutory mathematical algorithms.

10. Since the claims are not limited to exclude such abstractions, the broadest reasonable interpretation of the claim limitations includes such abstractions. Therefore, the claims are impermissibly abstract under 35 U.S.C. §101 doctrine.

11. Since *Warmerdam* is within the *Alappat-State Street Bank* line of cases, it takes the same view of “useful, concrete, and tangible” the Federal Circuit applied in *State Street Bank*. Therefore, under *State Street Bank*, this could not be a “useful, concrete and tangible result”. There is only manipulation of abstract ideas.

12. The Federal Circuit validated the use of *Warmerdam* in its more recent *AT&T Corp. v. Excel Communications, Inc.* decision. The Court reminded us that:

Finally, the decision in *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994) is **not to the contrary**. *** The court found that the claimed process did nothing more than manipulate basic mathematical constructs and **concluded that ‘taking several abstract ideas and manipulating them together adds nothing to the basic equation’**; hence, the court held that the claims were properly rejected under §101 ... Whether one agrees with the court’s conclusion on the facts, **the holding of the case is a straightforward application of the basic principle that mere laws of nature, natural phenomena, and abstract ideas are not within the categories of inventions or discoveries that may be patented under §101.** (emphasis added) *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447, 1453 (Fed. Cir. 1999).

13. Remember that in *In re Warmerdam*, the Court said that this was the dispositive issue to be considered. In the *AT&T* decision cited above, the Court reaffirms that this is the issue for assessing the “useful, concrete, and tangible” nature of a set of claims under 101 doctrine. Accordingly, Examiner views the *Warmerdam* holding as the dispositive issue in this analogous case.

14. The fact that the invention is merely the manipulation of *abstract ideas* is clear. The data referred to by Applicant’s phrase “a set of data structures” is simply an abstract construct that does not provide limitations in the claims to the transformation of real world data (such as monetary data or heart rhythm data) by some disclosed process. Consequently, the necessary conclusion under *AT&T*, *State Street* and

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Warmerdam, is straightforward and clear. The claims take several abstract ideas (i.e., “a set of data structures” in the abstract) and manipulate them together adding nothing to the basic equation. Claims 1-11 are, thereby, rejected under 35 U.S.C. §101.

Claim Rejections - 35 U.S.C. §112

The following is a quotation of the first paragraph of 35 U.S.C. §112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1-11 are rejected under 35 U.S.C. §112, first paragraph because current case law (and accordingly, the MPEP) require such a rejection if a §101 rejection is given because when Applicant has not in fact disclosed the practical application for the invention, as a matter of law there is no way Applicant could have disclosed *how* to practice the *undisclosed* practical application. This is how the MPEP puts it:

(“The how to use prong of section 112 **incorporates as a matter of law** the requirement of 35 U.S.C. §101 that the specification disclose as a matter of fact a practical utility for the invention.... If the application fails as a matter of fact to satisfy 35 U.S.C. §101, then the application also fails as a matter of law to enable one of ordinary skill in the art to use the invention under 35 U.S.C. §112.”); In re Kirk, 376 F.2d 936, 942, 153 USPQ 48, 53 (CCPA 1967) (“Necessarily, compliance with § 112 requires a description of how to use presently useful inventions, **otherwise an applicant would anomalously be required to teach how to use a useless invention.**”) See, MPEP 2107.01(IV), quoting In re Kirk (emphasis added).

Therefore, claims 1-11 are rejected on this basis.

Response to Arguments

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Applicant's arguments filed 04/18/2006 have been fully considered but they are not persuasive. Specifically:

Argument 1

The Office Action rejected claims 1-11 as being directed to non-statutory subject matter. Applicant respectfully traverses this rejection. The patent statute enumerates several classes of inventions that may be patented. 35 USC §101 provides that:

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new, and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title."

The United States Court of Appeals for the Federal Circuit has noted that the repetitive use of the expansive term "any" in §101 shows Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in §101. *State Street Bank & Trust Co. v. Signature Fin. Group*, 149 F.3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998), cert. denied, 525 U.S. 1093 (1999).

Moreover, the Supreme Court has acknowledged that Congress intended § 101 to extend to "anything under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980); see also *Diamond v. Diehr*, 450 U.S. 175, 182 (1981). Thus, it is improper to read limitations into §101 on the subject matter that may be patented where the legislative history indicates that Congress clearly did not intend such limitations. See *Chakrabarty*, 447 U.S. at 308 ("The Federal Circuit has also cautioned that courts should not read into the patent laws limitations and conditions which the legislature has not expressed." (citations omitted)). *State Street Bank & Trust Co. v. Signature Fin. Group*, supra.

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There is a difference between the term of art "patentable subject matter" and matter that complies with §101. Specifically, the term "patentable subject matter" is a term in §101 doctrine that refers to the four types of subject matter enumerated in the §101 statute (i.e., apparatus, method, product of manufacture, and composition of matter.) The Federal circuit is saying that if one claims a "business method", then it is a "method" within bounds of the statute and capable of being patented, as long as it complies with Title 35 of the United States Code.

That does not mean that "everything under the sun is statutory."

If that were true, it would mean that the Federal Circuit believes in a per se rule that anything claimed as a "method," "apparatus," "product of manufacture," or "composition of matter" is per se compliant with all of 35 U.S.C. §101. That is not at all true.

Why?

Because the Federal Circuit has rejected claims and the Court prescribed a standard to use to make the rejection...this was the same standard used by Examiner in his rejection. Reviewing the basis of that rejection we find that the Court held the following:

Finally, the decision in *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994) is not to the contrary. *** The court found that the claimed process did nothing more than manipulate basic mathematical constructs and concluded that 'taking several abstract ideas and manipulating them together adds nothing to the basic equation'; hence, the court held that the claims were properly rejected under §101 ... Whether one agrees with the court's conclusion on the facts, the holding of the case is a straightforward application of the basic principle that mere laws of nature, natural phenomena, and abstract ideas are not within the categories of inventions or discoveries that may be patented under §101.

(emphasis added) AT&T Corp. v. Excel Communications, Inc., 50
USPQ2d 1447, 1453 (Fed. Cir. 1999).

Note that the Court took the holding of Warmerdam and quoted it again in AT&T to re-emphasize the standard. Clearly, the Federal Circuit finds the holding to be important and Examiner would be remiss if he ignored it. Examiner applied it precisely this way as shown above in the renewed rejections.

In fact, Examiner looked for statutory matter from the State Street perspective in order to find a "useful, concrete, and tangible result." Additionally, Examiner looked for statutory matter from the Warmerdam-AT&T perspective where the claims may be statutory if they transform data representing things in the real world. Further, Examiner looked also from the Diamond v. Diehr perspective as well.

Examiner looked from every perspective he could find that was most favorable to Applicant and still found no statutory matter in the claims. The claims are, therefore, devoid of statutory matter. Accordingly, the rejections STAND.

Argument 2

In In re Alappat, 33 F.3d 1526, 31 USPQ2d 1545 (Fed. Cir. 1994), the Federal Circuit considered the issue of the patentability of a rasterizer used in an oscilloscope. The invention was generally directed to a process and apparatus for creating a smooth waveform display in a digital oscilloscope. However, the PTO Examiner rejected certain claims of Alappat's patent application as being directed to unpatentable subject matter, on grounds that those claims recited a mathematical algorithm. A first Board of Appeals panel reversed the Examiner stating that although the subject claim 15 recited a mathematical algorithm, the claim as a whole was directed to a machine and thus to statutory subject matter. In

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a reconsideration decision the Board of Appeals reversed the prior panel and held the claims were properly rejected.

The Federal Circuit en banc panel in *In re Allapat* held that the "dispositive inquiry is whether the claim as a whole is directed to statutory subject matter, [and] it is irrelevant that a claim may contain, as part of the whole, subject matter which would not be patentable by itself. In that case, "the fact that [certain means elements] function to transform one set of data to another through what may be viewed as a series of mathematical calculations does not alone justify a holding that the claim as a whole is directed to nonstatutory subject matter".

Examiner did consider the claims as a whole. The claims are found to be devoid of statutory matter (see response for Argument 1.)

Argument 3

In re Lowry, 32 F.3d 1579, 32 USPQ2d 1031(Fed.Cir. 1994) held that data structures constitute patentable subject matter. In *Lowry*, the invention (assigned to Digital Equipment Corporation) had to do with attribute data objects (ADO's).¹ *Lowry's* patent application - "Data Processing System Having a Data Structure with a Single, Simple Primitive" -- related to the storage, use, and management of information residing in a memory. The Patent and Trademark Office (PTO) did not dispute the features and advantages of *Lowry's* claimed invention. The invention provides an efficient, flexible method of organizing stored data in a computer memory. The Federal Circuit held that the (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. Thus, the court stated: "*Lowry's* ADOs do not represent merely underlying data in a database. ADOs contain both information used by application programs and information regarding their physical interrelationships within a memory. *Lowry's* claims dictate how application programs manage information. Thus, *Lowry's* claims define functional characteristics of the memory."

The Court further stated: "While the information content affects the exact sequence of bits stored in accordance with *Lowry's* data structures, the claims require specific electronic structural elements which impart a physical organization on the information stored in memory. *Lowry's* invention manages information. As *Lowry* notes, the data structures provide increased computing efficiency. If a machine is programmed in a certain new and unobvious way, it is physically different from the machine without that program; its memory elements are differently arranged. The fact that these physical changes are invisible to the eye should not tempt us to conclude that the machine has not been changed." *In re Lowry*, 32 F.3d 1579, 32 U.S.P.Q.2d 1031, (Fed. Cir. 1994).

In re Lowry is not in any way applicable law to §101 doctrine. The Federal Circuit never addressed the issue of whether the claims were statutory. All of the arguments made by the Court in that case relate to whether patentable weight relative to §102 and §103 rejections should be given...not whether the claim as a whole satisfied the requirements of §101 doctrine. The Court summed it up this way:

When evaluating patentability under sections 102 and 103, the Board failed to give patentable weight to the claimed data structure. The Board stated that the claims on appeal specify relationships between the ADOs stored in the memory. The Board analogized Lowry's data structure comprised of ADOs to printed matter and relied on this statement from In re Gulack, 703 F.2d 1381, 217 USPQ 401 (Fed. Cir. 1983):

Where the printed matter is not functionally related to the substrate, the printed matter will not distinguish the invention from the prior art in terms of patentability. Although the printed matter must be considered, in that situation it may not be entitled to patentable weight.

Id. at 1385.

In Gulack, this court concluded that "the critical question is whether there exists any new and unobvious functional relationship between the printed matter and the substrate." Id. at 1386 (footnote omitted). The Board therefore framed the question as whether a new, nonobvious functional relationship exists between the printed matter (data structure with ADOs) and the substrate (memory). The Board determined that Lowry did not show such a functional relationship. Thus, the Board agreed with the examiner that the data structure could not distinguish the claimed invention from the prior art. The Board held that Kumpati, disclosing a CPU using a memory and containing stored data in a data structure, rendered all claims either anticipated or obvious. Lowry appealed.

Note in the quote above that Lowry never appealed any §101 decisions to the Federal Circuit, therefore, those issues were never reached (i.e., how can there be a

holding on a §101 issue if that issue was never before the Court? It can't. The "patentability" issues in that case were with respect to §102 and §103...not §101.)

As the Court stated at the outset:

"This court reviews the Board's determination of obviousness de novo."
(emphasis added.)

Note that the Court stated it was reviewing only the Board's determination of obviousness. Nowhere in the case does the Court say anything about reviewing any §101 determinations, since Lowry never even appealed any §101 determinations to the Court. On this basis, Applicant's use of In re Lowry is very clearly erroneous.

It is Examiner's opinion that Applicant takes the Court's arguments for "patentable weight" under §§ 102 and 103 and "construes" them to address an issue that they were never meant to address: §101 doctrine. In re Lowry is not applicable in any way to arguments in §101 doctrine and should not be represented as such. Perforce the basic facts and holdings of the Court in Lowry, Applicant's arguments based on that case are inherently unpersuasive and nugatory.

The rejections of the claims STAND.

Argument 4

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In *In re Beauregard*, 53 F.3d 15133 (Fed. Cir 1995), the Commissioner of Patents and Trademarks concluded that "computer programs embodied in a tangible medium, such as a floppy diskette, are patentable subject matter under 35 U.S.C. §101 and must be examined under 35 U.S.C. §102 and §103." The statutory category of the claims in *Beauregard* was the "article of manufacture" category.

If a claim is expressed as a computer program steps on a "computer readable medium", then it is to be interpreted as a "product of manufacture" (also known as an "article of manufacture".) That is only determinative of the class of "patentable subject matter" to which the claim belongs, but is not determinative of whether the claim passes §101...there is such a thing as a "nonstatutory product of manufacture."

Applicant's argument is not persuasive on the issue of §101 and does not address Examiner's application of the law. Therefore, Examiner finds no basis upon which to withdraw any rejections. Therefore, the rejections STAND.

Argument 5

There is no judicially recognized separate "technological arts" test for determining whether a claimed process or method constitutes patentable subject matter under 35 U.S.C. Section 101. An application claiming a method of compensating manager of business was improperly rejected, even though it is not tied to "technological arts" *Ex parte Lundgren*, 76 USPQ2d 1385 (BdPatApp&Int 2005).

The Examiner's reliance on *In re Warmerdam*, 33 F.3d 1354 (Fed. Cir. 1994) is misplaced. In *Warmerdam*, the court actually allowed a claim to a machine having a memory containing data that was thought to be non-statutory because it involved a manipulation of abstract ideas (claim 5 was directed to a machine and clearly patentable subject matter). See *Warmerdam*, 33 F.3d at 1360. Moreover, the present claims are closer to those of *Lowry* which were upheld by the Federal Circuit. Claim 1 is clearly directed to the "process" category of patentable subject matter. Moreover, it is not merely directed at abstract ideas, it is directed at a method of identifying regions in the memory of a target application. It recites concrete steps to be performed on the data structures.

A claim at issue in *Lowry* was:

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1. A memory for storing data for access by an application program being executed on a data processing system, comprising:
a data structure stored in said memory, said data structure including information resident in a database used by said application program and including:

a plurality of attribute data objects stored in said memory, each of said attribute data objects containing different information from said database;

a single holder attribute data object for each of said attribute data objects, each of said holder attribute data objects being one of said plurality of attribute data objects, a being held relationship existing between each attribute data object and its holder attribute data object, and each of said attribute data objects having a being held relationship with only a single other attribute data object, thereby establishing a hierarchy of said plurality of attribute data objects;

a referent attribute data object for at least one of said attribute data objects, said referent attribute data object being nonhierarchically related to a holder attribute data object for the same at least one of said attribute data objects and also being one of said plurality of attribute data objects, attribute data objects for which there exist only holder attribute data objects being called element data objects, and attribute data objects for which there also exist referent attribute data objects being called relation data objects; and an apex data object stored in said memory and having no being-held relationship with any of said attribute data objects, however, at least one of said attribute data objects having a being-held relationship with said apex data object.

The USPTO rejected Lowry's claims as directed to non-patentable subject matter. The Federal circuit reversed. **Not surprisingly, the Office Action does not consider the holding in Lowry.** Instead cites AT& T Corp. v. Excel Communications Inc., 172 F.3d 1352, 50 USPQ2d 1447 (Fed. Cir. 1999) but **overlooks the holding in that case. That case actually reversed a finding of lack of patentable subject mater.**

Far from citing Warmerdam with approval, the Federal Circuit said that "the decision in Warmerdam [citation omitted] is not to the contrary." In other words not even a case like Warmerdam is contrary to the holding in AT&T.

Regarding the "technological arts" test, Examiner did not use that argument as a basis for any of the rejections. Applicant's argument on that point is, thereby, moot.

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Examiner understands Applicant's affinity for In re Lowry and understands that Applicant wishes to replace the Warmerdam standard with favorable interpretations of Lowry, but as explained above in argument 3, Lowry is not at all relevant to §101 cases (Lowry addresses only §102 and §103 patentable weight issues...not §101 issues.)

Examiner invites Applicant to Shepardize In re Warmerdam to see if it is still good law. As noted before, the Court in Warmerdam, rejected the claims before it in that case and announced a clear standard for the rejections...the same standard Examiner used in his own rejections. The Court repeats that same standard in AT&T, thus, we have one standard where the Court allowed claims in one case and rejected claims in another. Therefore, the standard is well settled law, illustrated in both alternative cases.

Thus, the Court did cite the Warmerdam standard "with approval". If Applicant disagrees, he is free to Shepardize the case to see if Warmerdam was overruled by AT&T.

Argument 6

Claim 10 is also clearly directed to statutory subject matter - a computer-readable medium. In re Beauregard, supra. Claim 11 is directed to a machine and is clearly statutory.

Applicant asserts that products of manufacture are per se statutory.

Not true. If that were true, it would be an obvious, easy to apply, bright line rule that "products of manufacture" are statutory under any and every condition. There is no

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such per se rule in §101 doctrine. If that were true, the Patent Office's job would be much easier and the Courts' jobs much more difficult. Here is what the Federal Circuit has actually said about the issue:

"Whether stated implicitly or explicitly, we consider the scope of Section 101 to be the same regardless of the form -- machine or process -- in which a particular claim is drafted. AT&T v. Excel, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999) citing In re Alappat, 33 F.3d at 1581, 31 USPQ2d at 1589 (Rader, J., concurring) (emphasis added.)"

Further, the Court held that:

"Furthermore, the Supreme Court's decisions in Diehr, Benson, and Flook, all of which involved method (i.e., process) claims, have provided and supported the principles which we apply to both machine- and process-type claims. Thus, we are comfortable in applying our reasoning in Alappat and State Street to the method claims at issue in this case." AT&T v. Excel, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999)

The Federal Circuit was quite clear as to the fact that the scope of §101 is the same regardless of the form -- machine or process -- in which the claim is drafted. Examiner finds no logical problem with including computer program steps on a computer readable medium (i.e., a "product of manufacture") in this list.

The Courts do not focus on the type of "patentable subject matter" (i.e., apparatus, method, product of manufacture, or composition of matter) in the preamble of the claim. The courts focus on the factors held in Diamond v. Diehr, Alappat, Warmerdam, State Street Bank, and Excel. The Courts had numerous opportunities to create a per se rule, but declined for various good reasons to do so. Applicant makes an

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argument that is directly opposed to Federal Circuit precedent. Examiner feels no motivation to follow Applicant on this course. Applicant's argument is unpersuasive to Examiner and the rejections STAND.

Argument 7

The Examiner also rejected the claims under 35 USC §112, first paragraph alleging that the applicant has not shown a practical application and there is no way that the Applicant could have disclosed how to practice the undisclosed practical application. The applicant respectfully traverses this conclusion. The application is directed to the area of information processing and perhaps in today's modern technology there is no more practical application. The Examiner does not point out any specifics of how the specification is deficient in its enablement but instead relies on the erroneous conclusion that the invention is directed to abstract concepts. Claims 2-9 are dependent on claim 1 and hence are directed to patentable subject matter for the above reasons. For the foregoing reasons, Applicant respectfully requests allowance of the pending claims.

Applicant has not overcome the §101 rejections as a matter of fact. Therefore, as a matter of law, the 112, first paragraph rejections STAND. Applicant has not carried his burden of showing otherwise.

Regarding Applicant's statement that "Examiner does not point out any specifics of how the specification is deficient in its enablement but instead relies on the erroneous conclusion that the invention is directed to abstract concepts", Examiner reminds Applicant that §101 rejections are claim rejections, not objections to the Specification. Further, limitations in the Specification cannot be read into the claims, therefore, the limitations of the claims stand or fall on their own merits. Therefore, Applicant's argument on this point is moot.

Art Unit: 2129

Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Wilbert L. Starks, Jr. whose telephone number is (571) 272-3691.

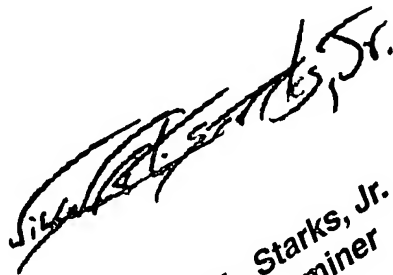
Alternatively, inquiries may be directed to the following:

S. P. E. David Vincent (571) 272-3080

Official (FAX) (571) 273-8300

WLS

21 June 2006

A handwritten signature in black ink, appearing to read "Wilbert L. Starks, Jr.", slanted upwards from left to right.

Wilbert L. Starks, Jr.
Primary Examiner
Art Unit - 2121